

EXHIBIT 1

INTRODUCTION

Respondent Michael J. Malik, Sr., (“Respondent Malik”) is an individual residing in the state of Michigan.

Respondent Michael J. Malik, Sr., Trust (“Respondent Trust”) is a Michigan estate planning entity in which Respondent Malik is the trustor, trustee and beneficiary. Respondent Malik controls Respondent Trust. Respondent MJM Manistee, Inc. (“Respondent MJM”) is a casino development corporation based in Detroit, Michigan. Respondent Malik is the President and Respondent Trust is the sole shareholder of Respondent MJM. Respondent Malik controls Respondent MJM. Under the Political Reform Act (the “Act”),¹ Respondent Malik is affiliated with Respondent Trust and Respondent MJM for reporting and contribution aggregation purposes.

This matter arose from a complaint and Respondents’ self-reporting of certain information regarding the below-stated Count.

On May 18, 2006, the combination of Respondents Malik, Trust and MJM (collectively, “Respondent Committee”), made \$20,000 in contributions to candidates or committees. Because Respondent Committee’s contributions totaled \$10,000 or more, Respondents jointly qualified as a single “major donor committee” under the Act for calendar year 2006. As a major donor committee, Respondent Committee was required to file semi-annual campaign statements, commonly known as a “major donor statements.”

During the six-month period of July 1 through December 31, 2006, Respondent Committee made 17 contributions in California totaling \$26,500. Due to this campaign activity, Respondent Committee was required to but failed to disclose these 17 contributions on the initial major donor statement it filed for this period.

For the purposes of this Stipulation, Respondents’ violation of the Political Reform Act is stated as follows:

COUNT 1: Respondents Michael J. Malik, Sr., Michael J. Malik, Sr. Trust, and MJM Manistee, Inc., failed to disclose 17 contributions totaling \$26,500 in a semi-annual campaign statement by the January 31, 2007 due date, for the reporting period of July 1 to December 31, 2006, in violation of Government Code Sections 84200, subdivision (b), and 84211, subdivision (k)(5).

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in Section 81002, subdivision (a), is to ensure that the contributions and expenditures affecting election campaigns are fully and truthfully disclosed to the public, so that voters may be better informed, and improper practices may be inhibited. The Act therefore establishes a comprehensive campaign reporting system.

Duty to File Campaign Statements

Under the Act's campaign reporting system, candidates and committees are required to file certain specified campaign statements and reports. Section 82013, subdivision (c), includes within the definition of "committee" any person or combination of persons who directly or indirectly makes contributions, including loans, totaling ten thousand dollars (\$10,000) or more in a calendar year to, or at the behest of, candidates or committees. This type of committee is commonly referred to as a "major donor" committee.

Section 84200, subdivision (b), requires a major donor committee to file a semi-annual campaign statement for any reporting period in which the committee made campaign contributions. The first semi-annual campaign statement covers the reporting period January 1 through June 30, and must be filed by July 31. The second semi-annual campaign statement covers the reporting period July 1 through December 31, and must be filed by January 31 of the following year.

Section 84211, subdivision (k)(5), requires that in the case of an expenditure of one hundred dollars (\$100) or more which is a contribution to a candidate, elected officer, or committee, the following information be disclosed: (1) the payee's full name; (2) the payee's street address; (3) the amount of each expenditure; (4) a brief description of the consideration for which each expenditure was made; (5) the date of the contribution; (6) the cumulative amount of contributions made to a candidate, elected officer, or committee; (7) the full name of the candidate, and the office and district for which he or she seeks nomination or election; and (8) the jurisdiction in which the candidate is voted upon.

SUMMARY OF THE FACTS

Respondent Michael J. Malik, Sr., ("Respondent Malik") is an individual residing in the state of Michigan.

Respondent Michael J. Malik, Sr., Trust ("Respondent Trust") is a Michigan estate planning entity in which Respondent Malik is the trustor, trustee and beneficiary. Thus, Respondent Malik controls Respondent Trust. Respondent MJM Manistee, Inc. ("Respondent MJM") is a casino development corporation based in Detroit, Michigan. Respondent Malik is the President and Respondent Trust is the sole shareholder of Respondent MJM. Thus, Respondent Malik controls Respondent MJM. Under Act, Respondent Malik is affiliated with Respondent Trust and Respondent MJM for reporting and contribution aggregation purposes.

On January 29, 2007, Respondent Committee timely filed its original major donor statement for the period of July 1 through December 31, 2006, disclosing that it had made no contributions during this period. In October 2008, Respondent Committee voluntarily submitted information to the Commission, without prior contact from the Enforcement Division. The Enforcement Division's investigation revealed that Respondent Committee actually made 17 contributions during this reporting period totaling \$26,500. In cooperation with the Enforcement Division's investigation, Respondent Committee filed an amended major donor statement at all the appropriate locations between December 23 and 26, 2008, for this reporting period, disclosing contributions totaling \$26,500.

Count 1

(Failure to Disclose Contributions in a Semi-Annual Statement)

On May 18, 2006, Respondents Malik, Trust and MJM (collectively, "Respondent Committee"), by making \$20,000 in contributions to candidates or committees (Section 82013, subd. (c)), qualified as a single "major donor committee." Thus, Respondent Committee was required to file semi-annual statements, commonly known as a "major donor statements," disclosing all contributions made during 2006.

Respondent Committee timely filed its original major donor statement for the six-month period of July 1 through December 31, 2006, on January 29, 2007, disclosing that it had made no contributions during this period. However, Respondent Committee actually made 17 contributions during this reporting period totaling \$26,500, as follows:

Date Made	Recipient	Amount
08/10/2006	Aghazarian 2006	\$1,500
08/10/2006	Friends of Wesley Chesbro	\$1,000
08/10/2006	Alberto Torrico For Assembly 2006	\$1,000
08/10/2006	Maze for Assembly 2006	\$1,000
08/10/2006	Dennis Mountjoy For State Senate 29 th District	\$1,000
10/18/2006	Alberto Torrico For Assembly 2006	\$2,000
10/18/2006	Friends of Patty Berg	\$1,000
10/18/2006	Friends of Fabian Nunez 2006	\$3,300
10/18/2006	Taxpayers for Perata	\$5,000
10/18/2006	Dr. Ed Hernandez, OD for Assembly 2006	\$1,000
10/18/2006	Friends of Pat Wiggins	\$2,000
10/18/2006	Democratic State Central Committee of CA	\$1,700
10/18/2006	Padilla for Senate 2006	\$1,000
10/18/2006	Roy Asburn Senate Committee	\$1,000
10/18/2006	Friends of Kevin de Leon	\$1,000
10/18/2006	Lou Correa for Senate	\$1,000
10/18/2006	Ronald Calderon for Senate	\$1,000
	Total Contributions Made During Period	\$26,500

By failing to timely disclose contributions made during the above named reporting period, Respondent Committee violated Government Code Sections 84200, subdivision (b), and 84211, subdivision (k)(5).

As a condition of this settlement, Respondent Committee filed an amended major donor statement at all the appropriate locations between December 23 and 26, 2008, for the period of July 1 through December 31, 2006, which includes all of the previously undisclosed contributions.

Though Respondent Committee has no prior enforcement history, Respondent Malik knew or should have known of Respondent Committee's filing requirements as a major donor under the Act because of his past contact with the Enforcement Division. On August 16, 2006, Respondent Malik signed a stipulated settlement on behalf of Barwest, LLC, for Barwest, LLC's failure to disclose contributions as a major donor committee in a semi-annual statement for the reporting period of July 1 through December 31, 2004. Barwest, LLC, is a casino development company based in Detroit, Michigan. At the time of the prior enforcement action, Respondent Malik was a non-majority partner in Barwest, LLC, with some - but not full - decisionmaking authority.

CONCLUSION

This matter consists of one count of violating the Act, which carries a maximum administrative penalty of Five Thousand Dollars (\$5,000).

In determining the appropriate penalty for a particular violation of the Act, the Enforcement Division considers the typical treatment of a violation in the overall statutory scheme of the Act, with an emphasis on serving the purposes and intent of the Act.

The typical administrative penalty for failing to disclose required contribution information has been in the middle-to-high end of the penalty range, depending on the circumstances of the case. In this matter, Respondent Committee agrees to a high ranging penalty because: 1) Respondent Committee failed to make any of the required disclosures in the major donor statement for the reporting period of July 1 through December 31, 2006, despite making \$26,500 in contributions, thereby depriving the public of disclosures required to be made timely and directly by Respondent Committee; and 2) Respondent Malik knew or should have known of Respondent Committee's filing requirements as a major donor under the Act because of his involvement in the prior enforcement action against Barwest, LLC.

Respondent Committee voluntarily submitted information regarding this matter to the Commission without prior contact from the Enforcement Division and cooperated with the investigation.

Accordingly, the facts of this case justify a total imposition of an administrative penalty of Four Thousand Dollars (\$4,000).